United Nations A/C.2/57/L.50

General Assembly

Distr.: Limited
20 November 2002

Original: English

Fifth-seventh session
Second Committee
Agenda item 90 (b) and 112

Training and research: United Nations Institute for Training and Research

Programme budget for the biennium 2002-2003

United Nations Institute for Training and Research

Programme budget implications of draft resolution A/C.2/57/L.35

Statement submitted by the Secretary-General in accordance with rule 153 of the rules of procedure of the General Assembly

Summary

Under the terms of draft resolution A/C.2/57/L.35, the General Assembly would decide that in order for the United Nations Institute for Training and Research (UNITAR) to play its role in training and research activities effectively, the United Nations will assume the burden of the rental and maintenance costs for the Institute, and that the general administrative, personnel and financial services of the United Nations shall be utilized by the Institute on conditions determined in consultation between the Secretary-General and the Executive Director of the Institute, it being understood that the space occupied by the Institute is provided by the United Nations free of rent and maintenance charges.

In order for the regular budget of the United Nations to assume, beginning in 2003, the rental and maintenance costs of UNITAR, the General Assembly would need to make budgetary provision for the costs involved in the amount of $152,693 to cover 2003 requirements in the context of operation of the contingency fund. An additional biennial appropriation of $305,400 would be also required under the regular budget of the United Nations in future bienniums. If the General Assembly were to approve free rent and maintenance for UNITAR, it would also be necessary to amend the text of article VIII, paragraph 13, of the statute of the Institute.

02-70297 (E) 201102

BEST COPY AVAILABLE

I. Introduction

1. Under the terms of operative paragraphs 5, 6 and 7 of draft resolution A/C.2/57/L.35, the General Assembly would:

(a) Stress the limited capacity of the Institute to pay its rental rates and administrative costs as a result of decreased funding, as well as the need to ensure that the United Nations Institute for Training and Research is treated in a manner similar to the United Nations Research Institute for Social Development;

(b) Decide that in order for the Institute to play its role in training and research activities effectively, the United Nations will assume the rental and maintenance cost burden of the Institute;

(c) Decide also that the general administrative, personnel and financial services of the United Nations shall be utilized by the Institute on conditions determined in consultation between the Secretary-General and the Executive Director of the Institute, it being understood that the space occupied by the Institute is provided by the United Nations free of rent and maintenance charges.

II. Background

2. In its resolution 56/208 of 21 December 2001, the General Assembly requested the Secretary-General to clarify why the United Nations Institute for Training and Research (UNITAR) did not benefit from rental rates and maintenance costs similar to those enjoyed by other organizations affiliated with the United Nations, such as the United Nations Institute for Disarmament Research (UNIDIR) and the United Nations Research Institute for Social Development (UNRISD) and further requested the Secretary-General to submit proposals on how to waive or reduce the rental rates and maintenance costs charged to UNITAR and to report thereon at its fifty-seventh session, including details on the status of contributions to, and the financial situation of UNITAR, as well as on the use of its services by Member States.

3. The detailed information regarding rental and maintenance costs charged to UNITAR, status of contributions and the financial situation, and related proposals are contained in the report of the Secretary-General on UNITAR (A/57/479). As stated in the report, the analysis of the financial situation of UNITAR showed that the Institute was in a position to continue paying for rent and maintenance from its own resources, as it had successfully done for the period 1994-1998, and the Secretary-General was not in a position to propose the complete waiver of the rental rates and maintenance costs charged to UNITAR without the express decision of the General Assembly.

4. The comments and observations of the Advisory Committee on Administrative and Budgetary Questions on the report of the Secretary-General are contained in its report on UNITAR (A/57/7/Add.15). The Advisory Committee noted that UNITAR had been able to continue its existing activities with no deficit and to expand its activities, operating exclusively on voluntary contributions and special purpose grants.

5. The information on the use of the services of the Institute by Member States was provided in the report of the Secretary-General (A/57/577) and in the report of the Executive Director of UNITAR (A/57/14). Both reports emphasized that the

General Fund of the Institute barely covered the training programmes conducted in Geneva, Nairobi, New York and Vienna and that that situation unfortunately prevented the Institute from answering the numerous requests for training and capacity-building from developing countries and countries in transition. It will be recalled in this connection that the General Assembly, in its resolution 42/197 of 11 December 1987, established that training programmes designed and conducted by the Institute for other United Nations bodies and specialized agencies should not result in any financial obligations for the General Fund and should be carried out on a fully reimbursable basis, and that training for economic and social development and any other training activities should be funded from special purpose grants.

III. Arrangements regarding rental rates and maintenance costs for UNRISD and UNITAR

6. In operative paragraph 5 of the draft resolution, the General Assembly would stress the need to ensure that UNITAR is treated in a similar manner as UNRISD. The arrangements regarding rental rates and maintenance costs for both institutes are described in paragraphs 13 to 15 and 18 of the report of the Secretary-General (A/57/479), and are summarized below.

7. UNRISD currently occupies 508.5 square metres in the Palais des Nations in Geneva. Under the terms of reference of paragraph 6 of Secretary-General's bulletin ST/SGB/126 of 1 August 1963, the Institute is accommodated free of charge, but if special premises have to be obtained for the Institute, it would pay the rent from its budget. In addition, in the light of its difficult financial situation, UNRISD pays for programme support at the reduced rate of 8 per cent.

8. UNITAR occupies office space in both New York and Geneva. The UNITAR liaison office in New York occupies 1,098 sq ft of office space in the DC-1 building and is charged by the United Nations for rent and maintenance at the prevailing commercial rate, which the United Nations has to pay for rented space. In the current biennium the annual rental and maintenance charges in respect of UNITAR amount to US$ 64,782.

9. In Geneva, prior to September 2002, UNITAR occupied 842.7 sq m in the Environment Centre building, for which it paid annual rent and maintenance fees ($40,700) and electricity ($7,000) to the Fondation Immobilière pour Organisations Internationales (FIPOI), which manages the building. In accordance with the terms of a new lease agreement, as from 1 September 2002, the rented space increased by 80.6 sq m to a total of 923.3 sq m and the annual rent and maintenance fee and payment for electricity increased by $6,211 to a total of $53,911 annually. Additionally, UNITAR is supposed to reimburse the United Nations Office at Geneva annually the costs of cleaning (about $14,000) and messenger/security/shuttle services (about $20,000). The total costs therefore attributable to office space for UNITAR in Geneva amount to $87,911 per annum.

10. Based on the above, the total annual requirements of UNITAR for its space in New York and Geneva amount to $152,693, or approximately $305,400 per biennium, which UNITAR has to pay from its own budget. It will be recalled in this connection that in paragraph 3 of its resolution 47/227 of 8 April 1993, the General Assembly decided that, as at 1 January 1993, the funding of all the administrative

budget and the training programmes of the Institute should be covered from voluntary contributions, donations, special purpose grants and executing agency overheads.

IV. Indication of additional requirements and administrative and financial arrangements

11. As indicated above, the total annual requirements attributable to the office space for UNITAR in New York and Geneva amount to $152,693 (or approximately $305,400 per biennium). The treatment of UNITAR in a manner similar to UNRISD, as stressed in operative paragraph 5 of draft resolution A/C.2/57/L.35, would involve the United Nations regular budget assuming the burden of the rental and maintenance costs for UNITAR beginning in 2003, while at the same time instituting an arrangement whereby the Institute would reimburse the United Nations for administrative support provided. This means that the Institute would be required to reimburse administrative support provided by the United Nations at the rate of 8 per cent of its General Fund expenditures. Basing this on 2002 estimated expenditures of $913,500, the support cost reimbursement would amount to $73,080. The annual charges for rent and maintenance costs of $152,693 (or approximately $305,400 per biennium) in New York and Geneva would be covered in full from the United Nations regular budget, while the UNITAR support cost reimbursement of $73,080 would be utilized to offset the costs of administrative services, including payroll, financial, accounting, budgeting and personnel support, mail, pouch, etc., currently provided to UNITAR by the United Nations free of charge.

12. Should the General Assembly adopt draft resolution A/C.2/57/L.35, it is estimated that an additional appropriation of $152,693 would be required under section 27, Management and central support services, of the programme budget for the biennium 2002-2003 in order for the United Nations regular budget to assume, beginning in 2003, the rental and maintenance cost burden and other administrative support costs charged to the Institute by the United Nations in Geneva and New York for 2003. In future budgets, an amount of $305,400 would be required biennially for this purpose. The General Assembly would also override the provisions of paragraph 3 of its resolution 47/227, by which it decided that from 1 January 1993, the funding of all the administrative budget and training programmes of the Institute should be covered from voluntary contributions, donations, special purpose grants and executing agency overheads.

13. Under operative paragraph 7 of the draft resolution, paragraph 13 of article VIII of the statute of UNITAR would be amended to include a provision that the Institute would be provided with reasonable space by the United Nations free of rent and maintenance charges, which would read as follows:

> "The general administrative, personnel and financial services of the United Nations shall be utilized by the Institute on conditions determined in consultation between the Secretary-General and the Executive Director, it being understood that the space occupied by the Institute is provided by the United Nations free of rent and maintenance charges."

V. Potential for absorption during the 2002-2003 biennium

14. As there are no resources under the programme budget for the biennium 2002-2003 available to cover the rental and maintenance costs of the Institute in 2003, it would be necessary for the amount of $152,693 to be provided through additional appropriations by the General Assembly.

VI. Contingency fund

15. It will be recalled that under the procedure established by the General Assembly in its resolution 41/213 of 19 December 1986, a contingency fund is established each biennium to accommodate additional expenditures derived from the legislative mandates not provided for in the approved programme budget. Under that procedure, if additional expenditures are proposed that exceed the resources that are available from the contingency fund, the activities concerned can be implemented only through the redeployment of resources available from low-priority areas or the modification of existing activities. Otherwise, such additional activities would have to be deferred to a later biennium.

16. Under the procedure for the operation of the contingency fund outlined in part C of the annex to General Assembly resolution 42/211, the Secretary-General would, in his consolidated statement of all revised estimates and statements of programme budget implications, make proposals for revising the total amount so that it would not exceed the available balance. In so doing, the Secretary-General would be guided by the indications of alternatives included in each statement of programme budget implications and in each proposal for revised estimates. The respective legislative bodies should take action on such alternatives at the time they adopt the decision or resolution in question.

VII. Summary

17. **Should the General Assembly adopt the draft resolution stipulating that the Institute should be provided with office space by the United Nations free of rent and maintenance charges, an additional provision of $152,693 would be required over and above the resources proposed under section 27, Management and central support services, of the programme budget for the biennium 2002-2003. This provision would represent a charge against the contingency fund and, as such, would require an increase in appropriations for the biennium 2002-2003. In future budgets, the amount of $305,400 would be required biennially for this purpose.**

18. **Paragraph 13 of article VIII of the statute of UNITAR would be amended to read:**

> **"The general administrative, personnel and financial services of the United Nations shall be utilized by the Institute on conditions determined in consultation between the Secretary-General and the Executive Director, it being understood that the space occupied by the Institute is provided by the United Nations free of rent and maintenance charges."**